

Solid Waste Enterprise Funds - Consolidated

DESCRIPTION OF MAJOR SERVICES

Operations Fund is responsible for the operation and management of the County's solid waste disposal system, which consists of six regional landfills, nine transfer stations, and thirty-three closed landfills or disposal sites. The Solid Waste Management Division also administers the County's solid waste franchise program which authorizes and regulates trash collection by private haulers in the County unincorporated area, and state mandated waste diversion and recycling programs. This is the only fund that has staffing associated with it.

Budget at a Glance

Total Requirements	\$86,589,419
Total Sources	\$85,238,287
Net Budget	(\$1,351,132)
Estimated Unrestricted Net Assets	(\$62,308,127)
Use of Unrestricted Net Assets	\$1,351,132
Total Staff	81

While the Solid Waste Management Division has approximately \$106.5 million in short-term assets such as cash that is used to support the operations of the system, the Division is estimating its Unrestricted Net Assets to be in deficit by \$62.3 million at June 30, 2013 due to the inclusion of approximately \$170.2 million of long term landfill liabilities for pollution remediation obligations, future closure construction, and post-closure maintenance. These liabilities do not come due within the current year budget and represent future costs that will be funded with future revenue. For 2013-14, the Division will be using approximately \$1.4 million of its short term assets to balance the budget.

Site Closure and Maintenance Fund provides for the closure of landfills and for post-closure maintenance (e.g. fencing, storm damage, soil erosion, but excluding landfill gas and groundwater monitoring) required by Titles 14 and 27 of the California Code of Regulations. This budget unit accounts for the requirements and sources related to the planning, design, permitting, construction, and maintenance activities required for closure and post-closure maintenance of County landfills.

Site Enhancement, Expansion and Acquisition Fund provides for the construction of landfills and transfer stations, purchase of land, construction of ancillary facilities, and site enhancements, all of which are directly related to the increase of waste capacity. This budget unit accounts for the requirements and sources related to the planning, permitting, design, and construction activities required for the expansion and/or enhancement of County landfill and transfer station operations.

Environmental Fund provides environmental mitigation and monitoring activities (e.g., landfill gas systems operation, maintenance and monitoring, groundwater monitoring and remediation) at disposal sites and active and closed landfill sites for the health and safety of the public. This budget unit accounts for the requirements and sources related to these environmental mitigation and monitoring activities.

Environmental Mitigation Fund (EMF) was established to provide separate accountability of that portion of the tipping fee designated as a resource for addressing solid waste facilities impacts on local communities. On July 10, 2001, the Board of Supervisors (Board) approved an Environmental Mitigation Fund Use Policy. In accordance with this policy, projects or programs must reduce, avoid, or otherwise mitigate impacts arising from the operations and management of a County owned landfill or transfer station to be eligible for use of EMF monies. Current programs funded through EMF monies are the Household Hazardous Waste Program in unincorporated County communities, ongoing since 1993; and the Host Cities Program. Sources collected in this fund are also used to make contractual payments to the seven host cities with a County landfill or transfer station within its boundary or sphere of influence. On March 30, 2004, the Board approved an amended EMF Use Policy that revised the eligibility criteria to include the County's portion of costs associated with debris cleanup in the aftermath of a locally declared disaster. Also, for 2008-09 and forward, all uncovered load fees will be transferred into this fund and used to finance the fund's activities.

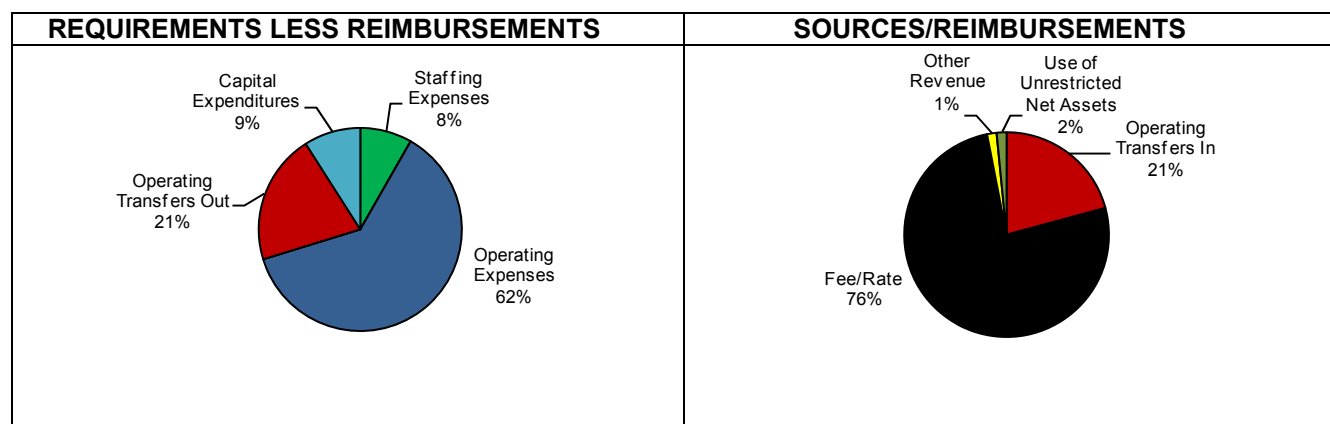
Closure and Post-Closure Maintenance Fund provides for the funding of landfill closure construction for those facilities that fall within the regulatory requirements of landfill facilities that were still actively receiving waste as of 1989. Deposits are made to this budget unit from the Solid Waste Operations budget unit, as needed, to provide proper funding, based upon the amount of waste deposited into the landfills each year. No expenditures are booked to this budget unit, only operating transfers out to the Site Closure and Maintenance budget unit and



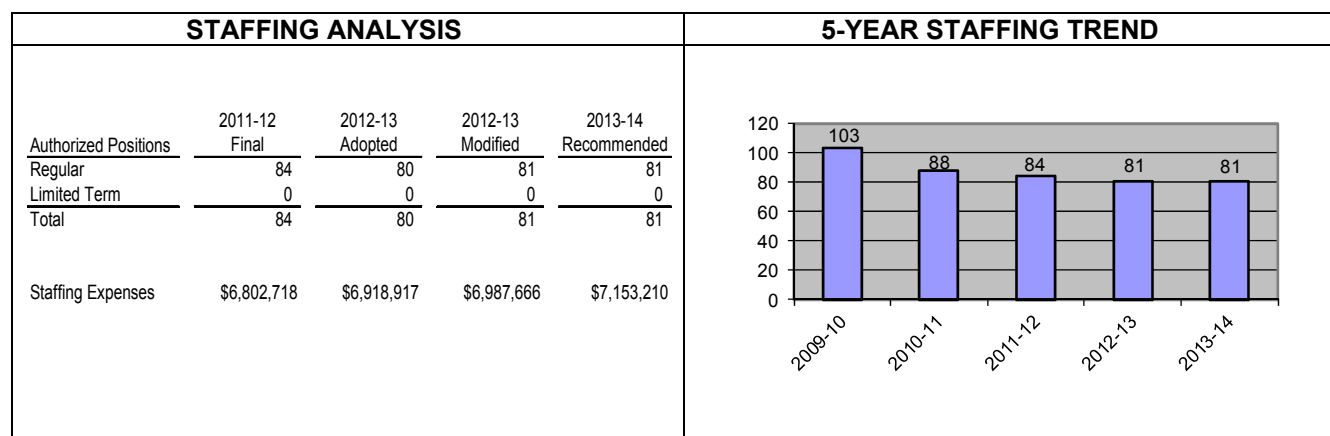
contingencies to reflect total net assets available at year end. Operating transfers to the Site Closure and Maintenance budget unit can only be done when Solid Waste Management Division receives written approval from CalRecycle for the release of funds.

Solid Waste Management Earned Leave Fund provides for the funding of employee compensated absences which are the accumulated vacation, holiday benefits, sick pay, and compensatory time recorded as an expense and non-current liability as benefits are earned. In the event of retirement or termination, an employee is paid 100% of accumulated vacation, holiday and compensatory time. This fund was newly created in 2011-12.

2013-14 RECOMMENDED BUDGET



BUDGETED STAFFING



ANALYSIS OF 2013-14 RECOMMENDED BUDGET

GROUP: Operations and Community Services
 DEPARTMENT: Public Works - Solid Waste Management
 FUND: Solid Waste Enterprise Funds Consolidated

BUDGET UNIT: Various
 FUNCTION: Health and Sanitation
 ACTIVITY: Sanitation

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Estimate	2012-13 Modified Budget	2013-14 Recommended Budget	Change From 2012-13 Modified Budget
Requirements							
Staffing Expenses	7,339,483	6,973,106	6,779,486	6,463,274	6,987,666	7,153,210	165,544
Operating Expenses	54,942,707	54,488,633	49,429,697	87,619,812	94,410,755	53,678,289	(40,732,466)
Capital Expenditures	4,965,442	1,565,790	6,957,075	3,281,536	6,348,926	7,806,620	1,457,694
Contingencies	0	0	0	0	87,793,364	50,000	(87,743,364)
Total Exp Authority	67,247,632	63,027,529	63,166,258	97,364,622	195,540,711	68,688,119	(126,852,592)
Reimbursements	0	0	(1,822)	(47,350)	(8,000)	(48,700)	(40,700)
Total Appropriation	67,247,632	63,027,529	63,164,436	97,317,272	195,532,711	68,639,419	(126,893,292)
Operating Transfers Out	14,704,327	15,200,656	6,993,468	34,052,942	37,672,118	17,950,000	(19,722,118)
Total Requirements	81,951,959	78,228,185	70,157,904	131,370,214	233,204,829	86,589,419	(146,615,410)
Sources							
Taxes	182,046	171,276	187,231	229,101	180,000	230,000	50,000
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	36,988	32,530	928,264	76,994	0	70,000	70,000
Fee/Rate	56,832,423	57,011,260	55,248,472	54,635,180	56,075,702	65,688,387	9,612,685
Other Revenue	2,383,333	1,666,896	1,270,846	2,286,759	1,356,430	1,299,900	(56,530)
Total Revenue	59,434,790	58,881,962	57,634,813	57,228,034	57,612,132	67,288,287	9,676,155
Operating Transfers In	15,118,590	15,200,656	6,794,391	34,053,142	37,672,118	17,950,000	(19,722,118)
Total Sources	74,553,380	74,082,618	64,429,204	91,281,176	95,284,250	85,238,287	(10,045,963)
Net Budget	(7,398,579)	(4,145,567)	(5,728,700)	(40,089,038)	(137,920,579)	(1,351,132)	136,569,447
Budgeted Staffing					81	81	0

DETAIL OF 2013-14 RECOMMENDED BUDGET

	2013-14			
	Requirements	Sources	Net Budget	Staffing
Enterprise Fund Budget				
Operations Fund (Fund EAA)	55,511,773	62,255,866	6,744,093	81
Site Closure and Maintenance Fund (Fund EAB)	1,703,500	854,613	(848,887)	0
Site Enhancement, Expansion & Acquisition Fund (Fund EAC)	11,511,248	2,721,144	(8,790,104)	0
Environmental Fund (Fund EAL)	10,956,898	11,459,497	502,599	0
Environmental Mitigation Fund (Fund EWD)	6,856,000	7,897,167	1,041,167	0
Closure and Post-Closure Maintenance Fund (fund EAN)	0	0	0	0
Earned Leave Fund (Fund IDA)	50,000	50,000	0	0
Total Enterprise Funds	86,589,419	85,238,287	(1,351,132)	81

Operations Fund has requirements of \$55.5 million for operation of the County's solid waste disposal system, which primarily includes \$7.2 million for 81 budgeted positions, \$32.0 million for the landfill operations contract and other professional services needed to maintain the County's disposal sites, \$10.7 million in operating transfers to the Environmental Fund for operation, maintenance and monitoring of landfill environmental control systems, \$2.3 million for payments to the Board of Equalization based on a per ton of landfill waste, \$1.3 million set aside for potential legal settlements, and \$0.9 million for payments to cities for their share of Article 19 Waste fees. Sources of \$62.3 million includes funds generated from landfill gate fees, special land use assessments, solid waste franchise fees, royalty agreements, land leases, interest earned on fund balance, and a small state grant for beverage container recycling education and outreach program. Sources received in this budget unit also finance the activities of other solid waste budget units and is reflected as operating transfers out.



Site Closure and Maintenance Fund includes requirements of \$1.7 million for partial final closure of the Mid-Valley Landfill's Unit 1's south and west slopes. Sources of \$0.9 million include allocated special assessments, landfill gate fees that support closure activities, and interest earnings.

Site Enhancement, Expansion and Acquisition Fund includes requirements of \$11.5 million, of which \$4.0 million is for the Barstow Landfill – Borrow Area Phase 1 Liner project, \$0.3 million for Landers Landfill - Lateral Expansion, and \$7.2 million in operating transfers to the Environmental Fund for capital projects and annual maintenance/monitoring of existing landfill gas, air, and groundwater systems. Sources of \$2.7 million are from allocated landfill gate fees that support expansion activities.

Environmental Fund includes requirements of \$11.0 million for the following list of projects related to the construction, operation, maintenance, and monitoring (OM&M) of environmental control systems to protect groundwater, air, and soil per Title 5 and Title 27 regulations:

- Countywide - Landfill Gas Extraction System OM&M
- Countywide - Water Quality Response Program OM&M
- Big Bear Landfill - Landfill Gas Extraction System
- Heaps Peak Disposal Site - Leachate Treatment System OM&M
- Heaps Peak Disposal Site - East Slope Stabilization
- Landers Landfill - Landfill Gas Extraction System
- Mid-Valley Landfill - Broco Cleanup
- Mid-Valley Landfill - Perchlorate - State Dept. of Toxic Substances Control
- Milliken Landfill - Easement Agreements – Edison
- Yucaipa Disposal Site - Groundwater Treatment System

Sources of \$11.5 million consist primarily of operating transfers from the Operations Fund (\$10.7 million) and allocated landfill gate fees (\$0.7 million).

Environmental Mitigation Fund includes requirements of \$6.9 million for that portion of the tipping fee designated as a resource for addressing solid waste facilities impacts on local communities as payments to seven host cities with a landfill or transfer station in their sphere of influence or within incorporated city limits. Sources of \$7.9 million are from allocated special assessments and landfill gate fees.

Closure and Post-Closure Maintenance Fund is expected to not have any activity required for closure based on the estimated waste to be deposited for the Financial Assurance period covered within 2013-14.

Solid Waste Management - Earned Leave Fund has \$50,000 in requirements (contingencies) and sources that represent operating transfers from the Operations Fund for approximately one-twentieth of the unfunded liability of employees' earned leave balances.

BUDGET CHANGES AND OPERATIONAL IMPACT

The Solid Waste Enterprise Funds are decreasing total requirements by a net \$146.6 million. Due to a change in the presentation of the budget, the amount representing available net assets set aside for future use is no longer shown in requirements, resulting in an \$87.8 million decrease in budgeted contingencies. Those net assets provide sufficient operating cash reserves in addition to the sources from current services to fund current budgeted activities. Other significant reductions in requirements include a \$38.7 million decrease from the County's decision to prepay the outstanding balance of the 2008 Refunding Program Certificates of Participation (Solid Waste COPs) in 2012-13, and \$19.7 million less in operating transfers out due to payoff of the Solid Waste COPs.

Total sources are decreasing by a net amount of \$10.0 million resulting from the following: \$19.7 million less in operating transfers in due to payoff of the Solid Waste COPs, partially offset by a \$9.7 million increase from out-of-County imported waste coming in under the new disposal system operations contract.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$7.2 million fund 81 budgeted regular positions. Although the overall staffing total remains unchanged, the 2013-14 budget includes the following recommended actions:

- Public Works Operations Supervisor position is being restored to supervise the day-to-day operations of the Colton Sanitary Landfill and assist with managing the new disposal system operations contract.
- Vacant Media Specialist position is being deleted as duties have been reassigned within the division.
- Reclassification of Solid Waste Division Manager to Chief Public Works Engineer.

2013-14 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Administration	6	0	6	6	0	0	6
Special Projects	5	0	5	5	0	0	5
Operations and Scales	37	0	37	35	1	1	37
Engineering	19	0	19	19	0	0	19
Administrative Services	12	0	12	11	1	0	12
Information Technology Services	2	0	2	2	0	0	2
Total	81	0	81	78	2	1	81

Administration		Special Projects		Operations and Scales	
<u>Classification</u>		<u>Classification</u>		<u>Classification</u>	
1	Chief Public Works Engineer	1	Solid Waste Program Administrator	1	Public Works Operations Supt.
1	Solid Waste Analyst	1	Staff Analyst II	1	Public Works Operations Supvr.
1	Staff Aide	1	Recycling Specialist	1	Maintenance & Const. Supervisor I
1	Secretary II	1	Secretary I	4	Landfill Operations Inspector
2	Office Assistant III	1	Office Assistant II	1	Engineering Technician III
6	Total	5	Total	1	Scale Operations Supervisor II
				2	Scale Operations Supervisor I
				25	Scale Operator
				1	Fiscal Assistant
				37	Total
Engineering		Administrative Services		Information Technology Services	
<u>Classification</u>		<u>Classification</u>		<u>Classification</u>	
1	Public Works Engineer IV	1	Administrative Supervisor II	1	Automated Systems Analyst I
3	Public Works Engineer III	1	Accountant III	1	Automated Systems Technician
4	Public Works Engineer II	2	Accountant II	2	Total
1	Engineering Tech V	1	Staff Analyst II		
4	Engineering Tech IV	1	Staff Analyst I		
3	Engineering Tech III	1	Supervising Accounting Tech.		
1	Engineering Tech II	5	Fiscal Assistant		
1	Staff Analyst I	12	Total		
1	Secretary I				
19	Total				

